Refund of Fixed Deposits by Limited Companies

7115. SHRI GURUDAS KAMAT: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) the number of complaints received by the Department of Company Affairs regarding refund of fixed deposits or payment of interests thereon by the limited companies during the last three years; and

(b) the steps taken by the Government to arrange for refund of the fixed deposits by these companies to the investors?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS PARLIAMENTARY AFFAIR (SHRI RANGARAJAN KUMARAMANGALAM): (a) and (b). Prior to 1st September, 1989, there was not statutory provision in the Companies Act, 1956, for dealing with complaints of this type. Such complaints were being passed on to the companies concerned for appropriate action. However, sub-section (9) of Section 58 A of the Companies Act, 1956 as inserted by the Companies (Amendment) Act, 1988 and brought into force from 1st September, 1989, enables depositors to file applications before the Company Law Board for ordering non-banking non-financial companies to repay overdue deposits within such time and subject to such conditions as may be specified in the order. In pursuance of this sub-section, 19, 191 applications were submitted to the Company Law Board during the period from 1st September , 1989 to 31st March, 1991 and the Board passed appropriate orders in respect of 12,201 such applications till 31st March, 1991.

Acceptance of deposits by non-breaking financial companies is governed by the Non-banking Financial Companies (Reserve Bank) Directions. 1977 and the Miscellaneous Non-Banking Companies (Reserve Bank) Directions, 1977. Companies in respect of such companies are advised to take up the matter with the Reserve Bank of India.

Role of Financial Institutions in General Body Meetings of Companies.

7116. SHRI MOHAN RAWLE: Will the Minister of Finance be pleased to State:

(a) the role of financial institutions in the general body meeting of company;

(b) Whether any guidelines have been issued in this regard;

(c) if so, the details thereof; and

(d) if not, whether such guidelines are proposed to be issued to be followed by the financial institutions in general body meetings of company?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (d). Public financial institutions have substantial shareholding in many public limited companies,. They have also their nominee directors in the Boards of Directors of many assisted concerns. As shareholders, public financial institutions have to protect their interests and accordingly, they have to take appropriate steps. Decisions therefor are required to be taken by the public financial intimations themselves on merits of each case at the general body meeting of the companies.

Writ Petitions on Service Matters Pending in Delhi High Court

7117. SHRI RAMASHRAY PRASAD SINGH: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state: